

**Schaut, Christine (BusDir-DC)**

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Translated - JTG -

SAGARPA      CONAPESCA      2006

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UNITED MEXICAN STATES  
MINISTRY OF AGRICULTURE, LIVESTOCK,  
RURAL DEVELOPMENT, FISHERIES AND FOOD

**NATIONAL AQUACULTURE AND FISHERIES  
COMMISSION  
ADMINISTRATIVE UNIT**

**SERVICE CONTRACT  
NO. AD/002/03/06  
AMOUNT: \$5,000,000.00**

A SERVICE CONTRACT ENTERED INTO BY AND BETWEEN THE EXECUTIVE BRANCH OF THE FEDERAL GOVERNMENT, THROUGH THE MINISTRY OF AGRICULTURE, LIVESTOCK, RURAL DEVELOPMENT, FISHERIES AND FOOD [SAGARPA], THROUGH THE NATIONAL AQUACULTURE AND FISHERIES COMMISSION [CONAPESCA], REPRESENTED BY MR. RAMÓN CORRAL ÁVILA, IN HIS CAPACITY AS NATIONAL AQUACULTURE AND FISHERIES COMMISSIONER, AND "GREENBERG TRAUIG, LLP," REPRESENTED BY MR. IRWIN P. ALTSCHULER, IN HIS CAPACITY AS LEGAL REPRESENTATIVE, HEREINAFTER THE "AGENCY" AND THE "PROVIDER," RESPECTIVELY, TO PROVIDE CONSULTING SERVICES ON AGRO-BUSINESS TRADE POLICY AND AGRICULTURAL TRADE LEGISLATION, IN ACCORDANCE WITH THE FOLLOWING REPRESENTATIONS AND CLAUSES:

**REPRESENTATIONS**

**I. THE "AGENCY" REPRESENTS:**

- I.1 THAT PURSUANT TO ARTICLE 26 OF THE FEDERAL PUBLIC ADMINISTRATION ACT, IT IS AN AGENCY OF THE EXECUTIVE BRANCH OF THE FEDERAL GOVERNMENT WITH THE AUTHORITY GRANTED TO IT BY ARTICLE 35 OF SAID ACT AND THE OTHER PROVISIONS EXPRESSLY SET FORTH IN LAWS AND REGULATIONS, AND THAT IT HAS A DECENTRALIZED ADMINISTRATIVE ENTITY CALLED THE NATIONAL AQUACULTURE AND FISHERIES COMMISSION, WHICH WAS CREATED VIA THE PRESIDENTIAL DECREE PUBLISHED IN THE OFFICIAL GAZETTE OF MEXICO ON JUNE 5, 2001, IN ACCORDANCE WITH THE PROVISIONS OF ARTICLES 32, 33, 35 SECTIONS II, XV, XX, AND 37 OF THE INTERNAL REGULATIONS OF SAGARPA, AND THE OTHER PROVISIONS EXPRESSLY SET FORTH IN LAWS AND REGULATIONS.
- I.2 THAT MR. RAMÓN CORRAL ÁVILA, THE NATIONAL AQUACULTURE AND FISHERIES COMMISSIONER, IS AUTHORIZED TO EXECUTE THIS CONTRACT PURSUANT TO THE PROVISIONS OF ARTICLES 3 SECTION III, 28, 32, 33, 35 SECTIONS II, III, XV AND XX, AND 37 OF THE CURRENT INTERNAL REGULATIONS OF SAGARPA AND THE OTHER PROVISIONS EXPRESSLY SET FORTH IN LAWS AND REGULATIONS.
- I.3 THAT THE NATIONAL AQUACULTURE AND FISHERIES COMMISSION REQUIRES CONSULTING SERVICES ON AGRO-BUSINESS TRADE POLICY AND AGRICULTURAL TRADE LEGISLATION.
- I.4 THAT SAGARPA'S CENTRAL PROCUREMENT, LEASING, AND SERVICES COMMITTEE, IN ITS FOURTH REGULAR MEETING HELD FEBRUARY 23, 2006, RULED IT LAWFUL TO UNDERTAKE SUCH PROCUREMENT THROUGH A DIRECT AWARD PROCEDURE, PURSUANT TO THE PROVISIONS OF ARTICLE 26 SECTION III, 40 AND 41 SECTION X OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT.
- I.5 THAT BY OFFICIAL NOTICE NO. 513-000043 DATED FEBRUARY 21, 2006, THE DIRECTORATE GENERAL RESPONSIBLE FOR PROMOTING SERVICE EFFICIENCY AND QUALITY ISSUED AN ORGANIZATIONAL OPINION WITH RESPECT TO THE CONSULTING SERVICES UNDER THIS CONTRACT.
- I.6 THAT IT HAS THE AUTHORIZATION OF THE APPLICABLE MINISTER, ISSUED IN OFFICIAL NOTICE NUMBER 100-0213 DATED FEBRUARY 21, 2006, FOR THE APPLICABLE EXPENDITURE UNDER LINE ITEM 3304.



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- I.7 THAT THE BUDGET LINE ITEM HAS BEEN AUTHORIZED IN ACCORDANCE WITH THE VALIDATION GRANTED BY THE FINANCE DEPARTMENT OF SAGARPA, IN ORDER TO MEET THE EXPENDITURES ARISING FROM THIS CONTRACT.
- I.8 THAT IT IS REGISTERED IN THE FEDERAL REGISTRY OF TAXPAYERS UNDER NUMBER CNA-010605-Q50.
- I.9 THAT ITS LEGAL PLACE OF BUSINESS IS LOCATED AT AV. CAMARÓN SÁBALO S/N, ESQUINA TIBURÓN, FRACCIONAMIENTO SÁBALO COUNTRY CLUB, C.P. 82100, MAZATLÁN, SINALOA, WHICH IT INDICATES FOR THE LEGAL PURPOSES AND EFFECTS OF THIS CONTRACT.

**II. THE "PROVIDER" REPRESENTS:**

- II.1 THAT THE COMPANY GREENBERG TRAUIG, LLP IS A LIMITED LIABILITY PARTNERSHIP ESTABLISHED PURSUANT TO UNITED STATES LAW, AND IS ACTIVE IN ACCORDANCE WITH THE "LIMITED LIABILITY PARTNERSHIP" LEGAL CITATION CERTIFICATE OF THE STATE OF NEW YORK, ACCORDING TO THE RECORD DATED DECEMBER 28, 1999 OF THE DEPARTMENT OF STATE OF THE STATE OF NEW YORK, AND THAT IT HAS FULL TECHNICAL AND LEGAL CAPACITY TO BE BOUND BY THE TERMS OF THIS CONTRACT, AND THAT IT HAS THE EQUIPMENT, STAFF, MATERIAL AND OTHER ELEMENTS NECESSARY FOR THE PERFORMANCE OF THE SERVICES CONTRACTED HEREIN.
- II.2 THAT MR. IRWIN P. ALTSCHULER DOCUMENTS HIS CAPACITY AS LEGAL REPRESENTATIVE WITH A CERTIFICATE FROM THE MANAGING PARTNER OF GREENBERG TRAUIG, LLP DATED APRIL 30, 2004, GRANTED BEFORE NOTARY PUBLIC OF THE CITY OF WASHINGTON, D.C., MS. BEATRICE W. MELECIO, AND HAS THE NECESSARY AND SUFFICIENT POWERS TO EXECUTE THIS DOCUMENT, WHICH TO DATE HAVE NOT BEEN REDUCED OR REVOKED IN ANY MANNER WHATSOEVER.
- II.3 THAT IN ORDER TO COMPLY WITH THE PROVISIONS OF ARTICLE 32-D OF THE MEXICAN TAX CODE, IT REPRESENTS THAT IT IS A FOREIGN RESIDENT WITHOUT A TAX DOMICILE IN MEXICAN TERRITORY, AND THEREFORE IS NOT REQUIRED TO FILE AN APPLICATION FOR REGISTRATION IN THE FEDERAL REGISTRY OF TAXPAYERS OR THE NOTICES TO SAID REGISTRY, OR TO FILE PERIODIC TAX RETURNS IN MEXICO.
- II.4 THAT ITS PRINCIPAL PLACE OF BUSINESS IS LOCATED AT 800 CONNECTICUT AVENUE, N.W., SUITE 500, WASHINGTON, D.C., UNITED STATES OF AMERICA, WHICH IT INDICATES FOR THE LEGAL PURPOSES AND EFFECTS OF THIS CONTRACT.

BY VIRTUE OF THE FOREGOING, AND PURSUANT TO ARTICLES 26 AND 35 OF THE FEDERAL PUBLIC ADMINISTRATION ACT; 1793, 1794, 1798, 1858, 2606 TO 2615 AND OTHER RELATED PROVISIONS OF THE FEDERAL CIVIL CODE; 1 SECTION II, 3, 19, 22 SECTION II, 25, 26 SECTION III, 40, 41 SECTION X, 44, 45, 46, 48, 51, 52, 53, 54, AND OTHER APPLICABLE PROVISIONS OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT; 2 SECTION IV, 13 AND 25 OF THE FEDERAL PUBLIC BUDGET, ACCOUNTING, AND EXPENDITURE ACT; 1, 3, 11, 14 SECTION VII, 24, 27 AND 3 [sic] OF THE COPYRIGHT ACT; 31 OF THE FEDERAL EXPENSE BUDGET FOR FISCAL YEAR 2006, AND 30 SECTIONS IV AND XXI OF THE "AGENCY'S" CURRENT INTERNAL REGULATIONS, THE PARTIES ENTER INTO THIS CONTRACT IN ACCORDANCE WITH THE FOLLOWING:



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CLAUSES

- ONE:** THE "PROVIDER" AGREES VIS-À-VIS THE "AGENCY" TO PROVIDE IT WITH THE PROFESSIONAL CONSULTING SERVICES REFERRED TO AS "CONSULTING SERVICES ON AGRO-BUSINESS TRADE POLICY AND AGRICULTURAL TRADE LEGISLATION," IN ACCORDANCE WITH THE PROVISIONS OF EXHIBIT I, WHICH, DULY EXECUTED BY THE PARTIES, FORMS AN INTEGRAL PART HEREOF.
- TWO:** THE PARTIES AGREE THAT THE NATIONAL AQUACULTURE AND FISHERIES COMMISSION, A DECENTRALIZED ADMINISTRATIVE ENTITY OF THE "AGENCY," WILL BE RESPONSIBLE TO ENSURE THAT THE ACTIVITIES OF THE CONTRACTED SERVICES ARE BEING PERFORMED IN ACCORDANCE WITH THE PROVISIONS HEREOF, AND THE "PROVIDER" AGREES TO SUBMIT A MONTHLY REPORT OF ACTIVITIES UNDERTAKEN TO THE ADMINISTRATIVE COORDINATOR OF THE OFFICES OF THE MINISTER IN ORDER TO OBTAIN APPROVAL ON THE APPLICABLE INVOICES.
- THREE:** THIS CONTRACT SHALL BE EFFECTIVE FROM MARCH 1 THROUGH DECEMBER 31, 2006.
- FOUR:** THE "AGENCY" AGREES TO PAY THE "PROVIDER," AS CONSIDERATION FOR THE SERVICES INDICATED IN CLAUSE ONE, TEN MONTHLY INSTALLMENTS, IN ARREARS, IN THE AMOUNT OF \$500,000.00 (FIVE HUNDRED THOUSAND AND 00/100 MEXICAN PESOS) FOR THE PERIOD CORRESPONDING TO THE MONTHS OF MARCH TO DECEMBER 2006, TOTALING THE AMOUNT OF \$5,000,000.00 (FIVE MILLION AND 00/100 MEXICAN PESOS), WITHIN 15 CALENDAR DAYS FOLLOWING THE DATE ON WHICH THE CORRESPONDING INVOICES ARE SUBMITTED, WITH THE APPROVAL OF THE ADMINISTRATIVE COORDINATOR OF THE OFFICES OF THE MINISTER, INDICATING THE PLACE OF PAYMENT AS CALLE DE SAN LORENZO, NO. 1151, 2<sup>O</sup> PISO, ALA "A," COL. SANTA CRUZ ATOYAC, C.P. 03310, MEXICO CITY, FEDERAL DISTRICT, BY ELECTRONIC FUND TRANSFERS, FOR WHICH THE "PROVIDER" SHALL PROVIDE EVIDENCE FROM A FINANCIAL INSTITUTION ON THE EXISTENCE OF A CHECKING ACCOUNT IN ITS NAME.
- FIVE:** THE PARTIES AGREE THAT THE STIPULATED AMOUNT INCLUDES ALL DIRECT AND INDIRECT EXPENSES THAT THE "PROVIDER" MAY HAVE TO INCUR TO PROVIDE THE CONTRACTED SERVICES.
- SIX:** IN ORDER TO GUARANTEE COMPLIANCE WITH THE OBLIGATIONS ARISING FROM THIS CONTRACT, WITHIN THE TEN CALENDAR DAYS AFTER THE EXECUTION OF THIS CONTRACT, PURSUANT TO THE LAST PARAGRAPH OF ARTICLE 48 OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT, THE "PROVIDER" SHALL PROVIDE A BOND ISSUED BY A LEGALLY ESTABLISHED MEXICAN BONDING COMPANY, IN THE AMOUNT OF \$1,000,000.00 (ONE MILLION AND 00/100 MEXICAN PESOS), EQUIVALENT TO 20% OF THE TOTAL AMOUNT OF THIS INSTRUMENT, TO THE FEDERAL TREASURY. THIS BOND SHALL CONTAIN AT LEAST THE FOLLOWING STATEMENTS:
- a) THAT THE BOND IS GRANTED IN ACCORDANCE WITH ALL PROVISIONS SET FORTH IN THE CONTRACT;



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- b) THAT THE "AGENCY" MUST ISSUE ITS EXPRESS WRITTEN STATEMENT FOR THE BOND TO BE RELEASED;
- c) THAT THE BOND SHALL REMAIN EFFECTIVE THROUGH COMPLETION OF ALL LEGAL APPEALS OR LAWSUITS FILED AND UNTIL A FINAL RULING IS ISSUED BY THE COMPETENT AUTHORITY; AND
- d) THAT THE BONDING COMPANY EXPRESSLY AGREES TO SUBMIT TO THE ENFORCEMENT PROCEDURES SET FORTH IN THE FEDERAL BONDING INSTITUTION ACT FOR THE EFFECTIVENESS THEREOF, EVEN IN THE EVENT OF THE COLLECTION OF INTEREST, FOR PURPOSES OF THE PAST DUE PAYMENT OF THE AMOUNT OF THE BOND.

**SEVEN:** THE "PROVIDER" MAY NOT DISCLOSE THE RESULTS OF THE ACTIVITIES UNDERTAKEN UNDER THIS CONTRACT, IN WHOLE OR IN PART, IN ANY MANNER WHATSOEVER.

**EIGHT:** THE "PROVIDER" SHALL MEET THE TECHNICAL AND QUALITY STANDARDS SET BY THE "AGENCY," AND SHALL HAVE TOP-LEVEL SPECIALISTS IN THE FIELDS OF INTERNATIONAL TRADE NEGOTIATIONS, DIPLOMATIC, POLITICAL, ECONOMIC, AND LEGAL AFFAIRS, AND A PROFESSIONAL PRACTICE IN INTERNATIONAL MATTERS.

**NINE:** THE "PROVIDER" AGREES TO PROVIDE THE SERVICES UNDER THE STRICTEST RULES OF CONFIDENTIALITY AND PRIVILEGED INFORMATION. IN THIS REGARD, ANY INFORMATION OR DOCUMENTATION THAT THE "PROVIDER" KEEPS IN ITS FILES AT THE END OF THE SERVICES WILL BECOME PROPERTY OF THE "AGENCY." LIKEWISE, THE "PROVIDER" AGREES NOT TO DIVULGE THE REPORTS, INFORMATION AND RESULTS OBTAINED FROM THE SERVICES PROVIDED.

**TEN:** THE "PROVIDER" AGREES TO PROVIDE THE SERVICES UNDER THIS CONTRACT WITHOUT ASSIGNING TO THIRD PARTIES, INDIVIDUALS OR LEGAL ENTITIES, ITS RIGHTS AND OBLIGATIONS ARISING FROM THIS CONTRACT, WITH THE EXCEPTION OF THE COLLECTION RIGHTS, IN WHICH CASE IT SHALL OBTAIN THE PRIOR WRITTEN CONSENT OF THE "AGENCY," IN THE TERMS SET FORTH IN THE LAST PARAGRAPH OF ARTICLE 46 OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT.

**ELEVEN:** THE "PROVIDER" AGREES TO BE LIABLE FOR ANY DAMAGE OR HARM CAUSED TO THE PROPERTY OR EMPLOYEES OF THE "AGENCY," AND TO THE EMPLOYEES OF THIRD PARTIES, WHEN THIS IS CAUSED DUE TO ITS NEGLIGENCE, MISCONDUCT, FRAUD OR BAD FAITH IN PROVIDING THE SERVICE.

**TWELVE:** THE "PROVIDER," AS EMPLOYER OF THE STAFF IT HAS OR HIRES FOR THE PERFORMANCE OF ANY ACTIVITY RELATED TO THE PROVISION OF THE SERVICES UNDER THIS CONTRACT, SHALL BE THE SOLE PARTY RESPONSIBLE FOR COMPLIANCE WITH ANY OBLIGATIONS ARISING IN LABOR, CIVIL, OR SOCIAL SECURITY MATTERS, AND IT AGREES TO TAKE RESPONSIBILITY FOR



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ANY DISPUTE OR LITIGATION INITIATED BY SAID STAFF AGAINST IT OR AGAINST THE "AGENCY," AND IN NO CASE SHALL THE "AGENCY" BE CONSIDERED A SUBSTITUTE EMPLOYER.

**THIRTEEN:** WITH THE EXCEPTION OF THE OBLIGATIONS ARISING FROM THIS CONTRACT, THE "AGENCY" SHALL NOT ACQUIRE OR ACKNOWLEDGE ANY OTHER OBLIGATIONS WITH RESPECT TO THE "PROVIDER," BY VIRTUE OF THE FACT THAT THE FEDERAL STATE WORKER ACT, WHICH REGULATES SECTION B OF ARTICLE 123 OF THE CONSTITUTION, IS NOT APPLICABLE, AND THEREFORE, THE "PROVIDER" AND ITS EMPLOYEES ARE NOT EMPLOYEES OF THE "AGENCY" UNDER THE TERMS OF ARTICLE 5 SECTION III OF THE SOCIAL SECURITY AND SERVICES ACT FOR STATE EMPLOYEES.

**FOURTEEN:** IN ACCORDANCE WITH ARTICLE 52 OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT, THIS CONTRACT MAY BE AMENDED AND/OR EXTENDED DURING ITS TERM, BUT UNDER NO CIRCUMSTANCES MAY THE TOTAL AMOUNT OF SUCH AMENDMENT EXCEED 20% (TWENTY PERCENT) OF THE TOTAL AMOUNT ORIGINALLY AGREED UPON, SUBJECT TO BUDGETARY AUTHORIZATION UNDERTAKEN FOR SUCH PURPOSES, PROVIDED THAT THE FOLLOWING IS COMPLIED WITH:

- A) THE PRICE OF THE SERVICES THAT ARE THE REASON FOR THE INCREASE SHALL BE EQUAL TO THE ORIGINALLY CONTRACTED PRICE.
- B) THE DATE ON WHICH THE AMENDMENT IS TO TAKE EFFECT SHALL BE AGREED UPON BY THE PARTIES.
- C) THE INCREASE IN THE SERVICE SHALL BE DULY JUSTIFIED BY THE FISHERIES AND AQUACULTURE POLICIES DEPARTMENT OF THE "AGENCY" AND AUTHORIZED BY THE HEAD OF THE DECENTRALIZED ADMINISTRATIVE ENTITY.
- D) THE SAVINGS GUIDELINES ISSUED BY THE MINISTRY OF THE TREASURY AND PUBLIC CREDIT AND THE MINISTRY OF PUBLIC ADMINISTRATION SHALL BE COMPLIED WITH.

**FIFTEEN:** IN THE EVENT OF NONPERFORMANCE OF THE CONTRACT ATTRIBUTABLE TO THE "PROVIDER," PURSUANT TO ARTICLE 53 OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT AND ARTICLE 64 OF THE REGULATIONS OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT, A CONTRACTUAL PENALTY WILL BE APPLIED OF 2% OVER THE PROPORTIONAL PART NOT PERFORMED, PER BUSINESS DAY OF DELAY UP TO THE AMOUNT OF THE PERFORMANCE BOND.

THE "AGENCY" MAY OPT TO INITIATE THE PROCEDURE FOR ADMINISTRATIVE RESCISSION OF THE CONTRACT AND TO ENFORCE THE BOND FOR THE PROPORTIONAL PART NOT PERFORMED, OR TO DEMAND THAT THE SERVICES BE PROVIDED, APPLYING THE AFOREMENTIONED CONTRACTUAL PENALTY.



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**SIXTEEN:** THE "AGENCY" MAY ADMINISTRATIVELY RESCIND THE CONTRACT AT ANY TIME WHEN THE "PROVIDER" IS IN BREACH OF ITS OBLIGATIONS, IN ACCORDANCE WITH THE FOLLOWING PROCEDURE:

- A) IT WILL BEGIN WHEN NOTICE OF ITS NONPERFORMANCE IS COMMUNICATED TO THE "PROVIDER" IN WRITING, FOR IT TO MAKE THE ARGUMENTS IN DEFENSE OF ITS RIGHTS WITHIN A PERIOD OF FIVE BUSINESS DAYS, AND TO PROVIDE THE EVIDENCE THAT IT DEEMS TO BE PERTINENT, IF APPLICABLE.
- B) AFTER EXPIRATION OF THE PERIOD PROVIDED FOR IN THE PRECEDING PARAGRAPH, A DECISION WILL BE MADE WITH CONSIDERATION OF THE ARGUMENTS AND EVIDENCE THAT HAVE BEEN ASSERTED.
- C) THE "AGENCY" SHALL SERVE WRITTEN NOTICE TO THE "PROVIDER" OF THE DECISION OF WHETHER THE CONTRACT WILL BE RESCINDED, IN ACCORDANCE WITH THE PROCEDURE ESTABLISHED IN ARTICLE 54 OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT, WITHIN 15 BUSINESS DAYS AFTER THE PERIOD ESTABLISHED IN POINT A.
- D) WHEN THE CONTRACT IS RESCINDED, THE CORRESPONDING SETTLEMENT WILL BE PREPARED, WHICH EVIDENCES THE PAYMENTS THAT THE "AGENCY" MUST MAKE FOR THE SERVICES PROVIDED UP TO THE TIME OF THE RESCISSION.

**SEVENTEEN:** THE "AGENCY" MAY TERMINATE THIS CONTRACT EARLY FOR REASONS OF PUBLIC INTEREST, OR WHEN JUSTIFIED CAUSES ELIMINATE THE NEED FOR THE SERVICES ORIGINALLY CONTRACTED AND IT IS PROVEN THAT IF THE CONTRACTED OBLIGATIONS CONTINUE TO BE PERFORMED DAMAGE OR HARM WOULD BE CAUSED TO THE STATE, OR IF THE FULL OR PARTIAL NULLITY OF THE ACTS THAT GAVE RISE TO THE CONTRACT IS DETERMINED, BASED ON A RESOLUTION OF DISAPPROVAL ISSUED BY THE MINISTRY OF PUBLIC ADMINISTRATION. IN THESE CIRCUMSTANCES THE "AGENCY" WILL REIMBURSE THE "PROVIDER" FOR THE NON-RECOVERABLE EXPENSES IT HAS INCURRED, PROVIDED THAT THESE ARE REASONABLE, ARE DULY VERIFIED AND ARE DIRECTLY RELATED TO THE CONTRACT IN QUESTION.

**EIGHTEEN:** WHEN AN ACT OF GOD OR AN EVENT OF *FORCE MAJEURE* OCCURS DURING THE PROVISION OF THE SERVICE, THE "AGENCY," UNDER ITS RESPONSIBILITY, MAY SUSPEND THE PROVISION OF THE SERVICE, IN WHICH CASE ONLY THE SERVICES THAT HAVE ACTUALLY BEEN PROVIDED WILL BE PAID FOR AND THE UNUSED ADVANCES WILL BE REFUNDED.



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**NINETEEN:** THE "PROVIDER" ACCEPTS THAT IF THE SERVICE IS NOT PERFORMED IN THE CONTRACTED TERMS, THE "AGENCY" MAY CONTRACT THIRD PARTIES TO PERFORM THE WORK, AND THE "PROVIDER" AGREES TO COVER THE COST OF THE BILL THAT IS GENERATED.

**TWENTY:** THIS CONTRACT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE PURPOSE HEREOF AND RENDERS NULL AND VOID ANY OTHER NEGOTIATION OR OBLIGATION BETWEEN THEM, WHETHER WRITTEN OR ORAL, PRIOR TO THE DATE OF EXECUTION HEREOF.

THE PARTIES REPRESENT THAT IN THE EXECUTION OF THIS CONTRACT, THERE HAS BEEN NO DEFECT, FRAUD OR BAD FAITH AFFECTING THE CONSENT GRANTED HEREIN.

**TWENTY-ONE:** THE PARTIES AGREE TO SUBMIT TO THE PROVISIONS OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT AND THE FEDERAL CIVIL CODE FOR ALL MATTERS NOT EXPRESSLY SET FORTH IN THIS CONTRACT.

**TWENTY-TWO:** SHOULD A CONFLICT OR DISPUTE ARISE IN THE INTERPRETATION AND/OR PERFORMANCE OF THIS INSTRUMENT, THE PARTIES EXPRESSLY SUBMIT TO THE JURISDICTION OF THE FEDERAL COURTS OF MAZATLÁN, SINALOA, AND THE PARTIES HENCEFORTH WAIVE THEIR RIGHT TO ANY OTHER JURISDICTION TO WHICH THEY MAY BE ENTITLED BY REASON OF THEIR PRESENT OR FUTURE DOMICILES, OR FOR ANY OTHER REASON.

UPON READING THIS INSTRUMENT, AND DULY INFORMED OF THE LEGAL SCOPE AND CONTENT OF ITS CLAUSES, THE PARTIES EXECUTE THIS CONTRACT IN FOUR COUNTERPARTS, IN THE CITY OF MAZATLÁN, SINALOA, ON MARCH FIRST, TWO THOUSAND SIX.

FOR THE "NATIONAL AQUACULTURE AND  
FISHERIES COMMISSION"

FOR THE "PROVIDER"

MR. RAMÓN CORRAL ÁVILA  
NATIONAL AQUACULTURE AND FISHERIES  
COMMISSIONER

[signature]  
MR. IRWIN P. ALTSCHULER  
LEGAL REPRESENTATIVE





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WITNESSES

MR. LUIS MIGUEL LÓPEZ MORENO  
GENERAL DIRECTOR OF FISHERIES AND  
AQUACULTURE POLICIES

MR. HUGO ERIK ZERTUCHE GUERRERO  
DIRECTOR OF THE ADMINISTRATIVE UNIT



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**EXHIBIT I**

**GREENBERG TRAURIG, LLP**

**2006 PROPOSAL: AREAS OF SERVICE**

It has been our pleasure to continue our relationship with the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food ("SAGARPA") and its decentralized entities, including the National Aquaculture and Fisheries Commission ("CONAPESCA") in 2005, and we hope to continue this relationship in 2006 and in the future. At Greenberg Traurig, LLP ("GT") the SAGARPA "team" remains intact, and our increased capacities allow us to provide our services to SAGARPA under the highest standards of quality and confidentiality, seeking the best cost-benefit possible.

Our continued mission in representing SAGARPA is that of contributing the combination of our knowledge in the area of international trade and customs duties, with our experience in the establishment of policies in the United States Government (and personal relationships with key Members of Congress and the Administration), thus helping SAGARPA and its decentralized administrative entities, such as CONAPESCA, etc., to increase opportunities for Mexican producers in the U.S. market. In the case of CONAPESCA, we have achieved the above by identifying barriers imposed on Mexican fish products and suggesting new approaches for the purpose of eliminating these barriers. We have also helped CONAPESCA in its efficient efforts to directly facilitate trade activity.

As is to be expected, 2006 will be another critical year with respect to the fish trade relationship between Mexico and the United States. Different issues will continue to be addressed in both countries, some of which involve sensitive situations, such as those pertaining to tuna and shrimp. As the United States adopts actions to implement policies such as legislation on country-of-origin labeling requirements for fish and seafood (for the purpose of directing consumers to products of U.S. origin), we will get more involved in the development and implementation of response strategies to minimize the negative impacts that this could have for Mexico.

In 2005, we strengthened our relationship with key CONAPESCA officials. We respond daily to the requests of the team located in Washington. We also respond to requests from different SAGARPA officials in Mexico, including the Minister and other directors. We are sure that SAGARPA and CONAPESCA have benefited from this opportunity for us to become more involved in the work of



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SAGARPA and CONAPESCA. We propose continuing to improve these lines of communication, so as to provide even more support in 2006.

Following is a summary of the areas of service that GT proposes continuing and increasing for 2006. We are also attaching as an Appendix to this instrument a list of key projects and a description of our achievements in 2005.

***AREA 1: POLITICAL AND LEGAL MONITORING, ANALYSIS, AND STRATEGY***

GT will continue providing SAGARPA and CONAPESCA with critical information obtained through its contacts with officials in the Administration and in the offices of the Congress of the United States. The firm, whose staff of professionals includes former members and officials of Congress, as well as former officials of the Administration and of the U.S. International Trade Commission, has established a network of contacts that allows it to have access to information that is not always available to the public, thereby allowing SAGARPA to anticipate events before they occur. We constantly provide advance notice to SAGARPA of changes in USDA, USTR and FDA policies, bills to be discussed in the United States Congress, notices on quota amounts imposed by the USTR, hearings to be held in the U.S. Congress, opportunities to submit comments on regulations and the United States' position with respect to the World Trade Organization (WTO), among other things. Such advance notice has allowed SAGARPA to develop a response strategy for these events before they actually occur. Our team's extensive network of contacts has been growing for nine years of working for SAGARPA on different matters related to agricultural trade, which constitute a key factor for trade between Mexico and the United States.

During 2005, we advised SAGARPA on high-level visits that took place in relation to the Bi-National Commission, the Security and Prosperity Partnership of North America, and also at other times on meetings between Mexican officials and their U.S. counterparts. In preparation for these meetings, we provided important discussion points for the meetings of Minister Usabiaga with Secretary Johanns of the USDA, and we helped to prepare discourses for the Minister's presentations to groups from the private sector, and we drafted press releases. We also provided presentations on the general political climate and related negotiations, so the Minister and his team were fully informed when they attended the meetings.



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As part of these duties, we reviewed public information on a daily basis, such as the press and specialized journals, contributing to the development of any public relations response that was necessary. GT's professionals include professionals with prior experience as journalists, as well as media experts, and in this way we have helped SAGARPA and its decentralized administrative entities in the jobs of publishing editorials and information in the appropriate news media.

GT provides SAGARPA and CONAPESCA with information on a daily basis when a specific issue warrants immediate action. We also submit to SAGARPA and CONAPESCA a weekly report – the "Weekly Report" – (including a special edition for the Minister), so as to keep SAGARPA and CONAPESCA officials updated on relevant issues in bilateral and international fish issues. This report also includes general background information, analyses, dates of hearings, deadlines for submission of comments and dates established for the monitoring of issues before the courts. For example, in the case of CONAPESCA, in 2005 we provided weekly updates on the development of U.S. legislation and regulations on bioterrorism, rules on country-of-origin labeling, bilateral disputes, as well as reactions from the United States Congress on these matters, all of this focused on CONAPESCA's interests.

As a component of these duties, GT will provide reports with in-depth analyses and strategic documentation on matters that are specifically requested from it. For example, in 2005 we prepared reports and studies on the tuna dispute, shrimp and the Clipperton fishing case.

We will provide extensive legal and technical consulting to SAGARPA. These duties include assistance in the drafting of comments and letters on a wide variety of matters, including those related to food safety, country-of-origin labeling, proposed promotion orders and other import issues that are before United States governmental authorities and Congress.

In 2006, GT will continue to monitor the FDA's detention actions applied to Mexican products, specifically to Mexican fish products. In 2005, the FDA adopted some actions against companies on an individual basis on several products. We will assist SAGARPA for the purpose of anticipating these FDA actions and we will work with this U.S. agency to avoid any future possibility of global detention against any Mexican product.



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We expect that in 2006 GT will collaborate extensively in the drafting of comments on FDA regulations that affect fish products and will assist in the presentation of these documents in the appropriate formats and in accordance with the required procedures. We have assisted SAGARPA and CONAPESCA in the submission of comments on regulations proposed by the FDA and other U.S. government agencies. There are a number of additional regulations on this matter on which GT continues to provide services to SAGARPA with regard to their analysis and comments, and in the drafting of items against them. We anticipate that in 2006 there will be more proposed regulations related to the U.S. organic program, changes in the U.S. radiation policy and changes in promotion and marketing orders, which could affect the marketing interests of Mexican fish products.

GT has vast experience in technical and legal aspects in WTO agreements and NAFTA. We have prepared and provided analyses related to the U.S. subsidy programs, and regarding whether these programs are in agreement with the WTO. On behalf of CONAPESCA, we have also analyzed the provisions of the sanitary and phytosanitary agreements and regulations ("SPS") under the FDA's jurisdiction to determine the validity of certain actions of the U.S. that give rise to the creation of barriers to imports from Mexico.

Another area of our specialty that we have applied to providing services to SAGARPA and to its decentralized administrative entities has been the practice and litigation on antidumping and countervailing duties cases. GT has a solid and recognized legal practice in this field. For example, based on our strategy recommendations regarding the position of Mexican industry in the shrimp antidumping case, the Mexican industry avoided becoming the target of this investigation. GT continued monitoring this dumping case, providing SAGARPA with updated information on the status of the investigation, given the importance of its effects on Mexican shrimp shipments to the U.S. market. We have a long history with regard to services that have been provided to represent Mexican companies in antidumping and countervailing duties cases brought by North American companies.

Also in 2005, as has been the case in previous years, we provided CONAPESCA with legal advice for dealing with the challenges that are being made against the "dolphin safe" definition change on tuna, as well as on the legal analysis of tariff classification issues and other different customs issues, including country of origin in the case of **transshipped products**, under which Mexican exports of fish products to the U.S. market could be affected.



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Following is a brief list of other activities in the political and legal areas in which we are involved and are representing SAGARPA:

**A. NAFTA**

- Reporting on the development of key cases and weekly reports.
- Providing special reports on bilateral consultations, panels and disputes under NAFTA.

**B. WTO**

- Reporting on the development of agricultural negotiations and market access that could affect and/or benefit Mexican exports of different fish products, in weekly reports.
- Monitoring of GT's contacts in order to provide information on the development of fish and market-access negotiations, from the U.S. perspective, including the United States' position on the position of Mexico and other key countries in reference to these matters.

**C. OTHER MATTERS**

- Examining and providing information and strategic consulting on the development of and trends in electronic commerce in agro-industry and fish products.

**AREA 2: HANDLING DEFENSE BEFORE CONGRESS AND THE EXECUTIVE BRANCH**

On specific matters, GT will continue collaborating with SAGARPA and its decentralized administrative entities, including CONAPESCA, in the development of strategies to settle trade disputes and remove barriers to market access. These duties include the development and implementation of strategies to influence the Congress and the Executive Branch of the United States government to resolve matters favorably for producers of fish products in Mexico. With our long history of collaboration with SAGARPA, GT has experience in trade between Mexico and the United States and has specialized experts to be able to help SAGARPA with this activity. This service also includes technical monitoring of U.S. agencies with respect to specific matters and regulations.



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In recent years, the issue of food safety, including fish products, has become a political and consumer issue in the United States. As the U.S. Congress apparently seeks stricter legislation that could limit Mexico's access to the U.S. market, GT has worked with SAGARPA to develop a cooperative strategy that seeks to block this legislation. In the wake of the tragedy of September 11, 2001, the United States Congress considered a number of initiatives in the area of food safety. In an effort to prevent or modify this restrictive legislation, through our contacts, meetings were organized to advise key Congressional staff on the impact that strict regulations could have on prices and options in favor of U.S. consumers. This issue will continue in 2006. We anticipate that in 2006 some members of the U.S. Congress will orchestrate campaigns in favor of new food safety legislation. We expect that GT will be involved in the analysis of this legislation with respect to its impact on Mexico and will develop a strategy to influence the legislative result.

Following is a brief outline of some of our activities before Congress and the Executive Branch on behalf of SAGARPA and CONAPESCA.

**A. NAFTA**

- Using NAFTA claims to influence the Congress and the Executive Branch to observe its agreements and to settle matters favorably for Mexico.
- Continuing to provide SAGARPA and CONAPESCA with support strategies with respect to technical barriers to trade, both existing and emerging barriers, as well as on sanitary and phytosanitary issues in the context of NAFTA.

**B. WTO Negotiations**

- Advising SAGARPA and CONAPESCA on monitoring discussions and measures adopted in the case of fish products and market access by WTO member countries, especially blocks of EU members, the CAIRNS Group, MERCOSUR countries, as well as JAPAN, the United States and developing nations.
- Analyzing these events and providing key strategies, as well as collaborating with SAGARPA and SAGARPA [sic] in these negotiations.
- Providing advice on the development of issues in fish negotiations and market access.



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**C. Other Issues**

- Continue collaborating with SAGARPA and CONAPESCA in the development of political strategies on various antidumping issues related to fish products, particularly continuing our monitoring of the investigation of U.S. shrimp imports.
- Collaborating with SAGARPA and CONAPESCA to reach specific goals in obtaining final resolution on various specific matters in the fish sector that are pending before the United States government.

**AREA 3: CRISIS MANAGEMENT/RAPID RESPONSE TEAMS**

This area of service involves our experience with the media, government and public relations. We worked with SAGARPA and CONAPESCA when the United States press suddenly published biased articles questioning the safety of Mexican products, particularly food products. We collaborated by scheduling meetings with key USDA and FDA officials. We also collaborated in providing educational information and materials to members of Congress and their staff to invalidate the press articles. We will continue to use our experience in public relations to deal with negative press that could arise with respect to Mexican fishing policies.

Given the considerable experience of our firm in the areas of mass media and crisis management, we have begun to work with the SAGARPA office and with the CONAPESCA representative in Washington in a training program. We will continue this effort in 2006 and we will seek to establish a crisis-management strategy.

With substantial changes in key Congressional staff and staff of the Administration, we will seek to ensure that these new policy issuers are informed of CONAPESCA's substantial efforts on a range of issues, including food safety, residual tariffs under NAFTA, tuna-dolphin labeling and monitoring of shrimp dumping investigations. We will continue to schedule meeting with officials from Congress and the Administration to ensure that they are all aware of the fish trade agenda between the United States and Mexico.





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**AREA 4: MULTILATERAL FORUMS AND NEGOTIATIONS**

The WTO negotiations on agriculture and market access have reached a critical stage in 2005. Efforts to include the different positions presented by the Contracting Parties in a substantive proposal will be a fundamental action starting in 2006. In 2005 the United States submitted an ambitious proposal focused on its position on domestic subsidies, calling for the reduction of all of these subsidies, but other Contracting Parties, including the EU and Japan, have not reacted favorably. In 2005 we provided SAGARPA and CONAPESCA with information on how the United States was handling these negotiations, as well as on the U.S. political climate that was affecting this negotiation. We also provided information on the negotiating positions of other WTO Contracting Parties.

We will continue supporting SAGARPA and CONAPESCA creatively in the review and timely resolution of matters pending before the WTO and before some NAFTA bodies. When it is deemed to be appropriate, we will continue assisting in the development of potential cases before the WTO. We will continue evaluating, recommending and implementing strategies for expediting the consideration of issues pending before the Sanitary and Phytosanitary Subcommittees, Agricultural Trade, Agricultural Standards, Chemical Residues and other Subcommittees and their various work groups. We will continue reporting and providing strategic assistance on sanitary and phytosanitary issues and standards that affect other WTO members.

**AREA 5: MARKET RESEARCH AND PROMOTION**

We will continue reporting on events in the U.S. agricultural and fish markets, as well as those of other countries. We will carry out trade research on behalf of SAGARPA and CONAPESCA based on recent WTO negotiations, and we will help by providing strategic consulting on the promotion of trade between Mexico and the United States. This activity includes the development of contacts with state promotional organizations and the Governors' offices in key states.

For the purpose of promoting Mexican fish exports, GT will provide its services in the development of information and contacts state by state. GT maintains a closer relationship with certain governors and state organizations. GT will use these contacts to determine whether opportunities or state programs exist that make it possible to form fish alliances.



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**AREA 6: PRIORITY ISSUES FOR CONAPESCA**

**A. Access to the Tuna Market**

In 2006, GT will continue to work closely with SAGARPA/CONAPESCA to help Mexico gain access to the U.S. market for its tuna, which represents an important source for the Mexican tuna industry – close to \$150 million dollars. This dispute has been going on for more than ten years and is currently at a critical point with the United States Government appealing the recent decision by the U.S. District Court in California, overturning the favorable decision of the Secretary of Commerce to allow Mexican tuna to use the “dolphin-safe” label. In late 2003, the Department of Commerce issued its final decision with respect to the change in the “dolphin-safe” definition for labeling purposes in the United States. However, U.S. environmental groups immediately objected to the court’s decision. In 2005, GT collaborated with SAGARPA to defend the case. GT also worked closely with the Department of Justice. More importantly, GT presented a brief of *amici curiae* to the Court on behalf of SAGARPA-CONAPESCA, accompanied by similar documents from the fishing authorities of other countries and from CIAT.

We will keep monitoring this case closely during its Appeal, and we will provide any assistance that may be necessary to the Mexican industry, to SAGARPA and to the U.S. Government, which government is defending the original decision of the Secretary of Commerce. In 2006, we will continue working with SAGARPA and the Mexican industry in all these areas, and we will keep exploring the possibility of challenging any unfavorable result before NAFTA or the WTO.

**B. Maintaining Access to the Shrimp Market**

In 2005, issues such as the antidumping case, the use of turtle excluder devices (TEDs), the use of antibiotics and the extinction of wild shrimp have resulted in growing pressure on the Mexican industry by U.S. shrimpers and nongovernmental organizations. Although Mexico has been excluded from the dumping investigation, the danger is latent, especially when because of recent climatological problems that have had a negative impact on the U.S. shrimp industry, this industry continues to exert pressure against the growing imports. GT will keep working with SAGARPA and CONAPESCA to monitor developments on this issue to ensure that Mexico’s interests are protected. We will also monitor all the other issues that could threaten the Mexican shrimp industry, and thus be prepared to advise SAGARPA and CONAPESCA on situations in which Mexico’s participation in the U.S. shrimp import market could be affected.



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**C. The Clipperton Case**

In 2005, at the express request of CONAPESCA, we were involved in monitoring the problems that Mexico has had with France since April 2005, under which the French authorities suddenly and unexpectedly decided to prevent Mexican tuna boats from continuing to catch tuna in the waters around Clipperton, a fishing practice that the Mexican tuna industry has exercised for more than forty years. The French action was supposedly based on what it considers to be its right to an Exclusive Economic Zone, which had a severe impact on the Mexican tuna industry, which obtains a significant percentage of its catch in those waters, which to Mexico represent an international catch zone, in accordance with the regulations on the matter established under the Convention of the Sea. We expect that in 2006, given the urgent need that the solution to this problem represents for the Mexican fishing industry, we will be fully involved in monitoring the issue, supporting CONAPESCA in the research and development of actions that facilitate a solution that favors the Mexican practice of catching in those waters. For this purpose, the possibilities of monitoring this issue imply not only bilateral consultation with France, but also specifically the possibility of resorting to a court where the dispute can be settled and a ruling can be obtained that is favorable for Mexican interests.

**CONCLUSION**

Our SAGARPA "team" has been reinforced. Now integrated into GT, it has supported GT in becoming a full partner of SAGARPA and CONAPESCA, not just in the United States, but also worldwide. In 2006 we expect to expand our support of SAGARPA and CONAPESCA even more. We have a great wealth of institutional knowledge on important issues of agricultural and fishing trade between both countries. We will continue providing added value to the activities of SAGARPA and CONAPESCA under a cost-efficient system. We expect to increase our activity even more, with greater participation in the trade initiatives of SAGARPA and CONAPESCA.

We continue inviting SAGARPA and CONAPESCA to allow us to collaborate in all aspects of consultation and support described in our proposal. We are fully willing to meet with SAGARPA and CONAPESCA whenever necessary, either in Mexico City or in any other city or state in the country or abroad (for example, in international negotiations or dispute settlement). We are also prepared to support



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SAGARPA and CONAPESCA in those cases where we can provide our services directly to the Mexican private agricultural sector and to the Mexican fishing industry, by negotiating fee structures with discounts for these Mexican parties, in recognition of SAGARPA's relationship with our firm.

THIS EXHIBIT IS EXECUTED IN FOUR COUNTERPARTS, IN MEXICO CITY, FEDERAL DISTRICT, ON MARCH FIRST, TWO THOUSAND SIX.

FOR THE "NATIONAL AQUACULTURE AND  
FISHERIES COMMISSION"

MR. RAMÓN CORRAL ÁVILA  
NATIONAL AQUACULTURE AND  
FISHERIES COMMISSIONER

FOR THE "PROVIDER"

[signature]  
MR. IRWIN P. ALTSCHULER  
LEGAL REPRESENTATIVE

**WITNESSES**

MR. LUIS MIGUEL LÓPEZ MORENO  
GENERAL DIRECTOR OF FISHERIES AND  
AQUACULTURE POLICIES

MR. HUGO ERIK ZERTUCHE GUERRERO  
DIRECTOR OF THE ADMINISTRATIVE UNIT

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